

“Abusive Scheme Strategy”

The SB/SE Strategy and Program Plan for FY 2003 has established addressing non-compliance as a major priority for SB/SE. TEC's role in the strategy involves the implementation of an extensive counter-marketing plan against abusive tax schemes and the people who promote them.

There are two components to the TEC counter-marketing effort:

- First, TEC will partner with external stakeholders for delivery of the counter-marketing messages.
- Second, TEC will counter-market to address specific schemes and educate groups pursued by promoters.

In addition to mounting effective counter-marketing campaigns, TEC employees have been trained to recognize previously unidentified abusive tax schemes and promoters, and refer them through proper channels to the Compliance function.

Because the promotions of abusive tax evasion schemes have increased, TEC will be cautioning taxpayers to beware of tax-savings pitches that sound too good to be true and urging them to seek expert advice before committing to any scheme that promises instant wealth or exemption from taxes.

The IRS is actively investigating promoters of these arrangements and examining the returns of the persons using the schemes. Both promoters and investors are subject to civil and/or criminal penalties.

For further information, visit the Criminal Investigation web site at:

<http://www.ustreas.gov/irs/ci/>
or the IRS web site at: www.irs.gov.

If you have specific questions on a tax scheme or wish to report a possible scheme, call

1-866-775-7474 or send an e-mail to: irs.tax.shelter.hotline@irs.gov.

Stay tuned for the next article in the Abusive Schemes Program Headliner Series.